



RNS

Trading Statement



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### MOUNTFIELD GROUP PLC

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**Mountfield Group Plc ("Group")  
 and its Subsidiaries, Connaught Access Flooring Limited ("CAF") and Mountfield Building Group Limited ("MBG")**

### Trading Statement

Mountfield Group Plc, the AIM quoted commercial flooring and specialist construction company, provides the following trading update with regard to the manner in which its business had been affected by COVID-19.

In the trading statement of 6 April 2020, the Group announced that whilst CAF had not had a number of sites closed, MBG had been substantially affected by COVID-19 in that its clients had temporarily closed most of the sites on which MBG was due to provide services.

The Group is pleased to announce that the majority of its sites have now been re-opened, albeit that they are now having to operate in accordance with the current COVID-19 construction industry and Government guidelines.

COVID-19 has also impacted on the production the Group's 2019 accounts. Due to COVID-19 related difficulties affecting the Group's businesses and the audit process itself, the start of the audit had to be delayed. As a result of resource constraints during the period for both the Directors and the auditors during this difficult period and the additional complexities caused by having to perform work remotely, the Company will not be able to complete the annual audit prior to 30 June 2020. The London Stock Exchange and the Registrar of Companies have approved a delay to the publication and filing of the Company's audited annual accounts for the financial year ended 31 December 2019 by three months to 30 September 2020 in line with measures introduced for companies affected by the current pandemic. The Company confirms that it now expects to release the Annual Report and audited accounts by early August together with the date of the AGM.

Given this delay, the Company is today providing shareholders with an unaudited update on trading of the Group for the year ended 31 December 2019, details of which are set out below:

- **Turnover:** £21m (2018: £16.2m)
- **Operating profit:** £850,852 (2018: £1,129,173)
- **Net cash position:** £802,885 (2017: £677,747)
- **Gross Margin:** 10.42% (2018: 15.5%)

In the announcement of 6 April 2020, the Board stated that the results for 2019 were expected to be similar to those for 2018. However, it is now clear that a substantial contract that has recently been completed, resulted in a loss on the project in the region of £320,000. The element of this that is not COVID-19 related should be reflected in the accounts to 31 December 2019 as an onerous contract in accordance with IAS 37 and the above figures reflect the Board's current estimate of the position.

As a result of the deteriorating business climate, some of the larger contracts were negotiated at significantly lower margins than originally anticipated, something which the Board expects to continue in the current environment.

The Board is hopeful that contracts that the Group expected to sign and those that are currently being tendered for will be resurrected in Q3 and Q4 of 2020 and that this will provide a good flow of work for Q3 and beyond.

The value of the Group's secured order book currently stands at approximately £9.3m, a figure that is somewhat lower than that recorded at the same point in 2019. The Group is working within its banking facilities and the cash flow of the businesses continues to be closely monitored and controlled.

The Group's Board is encouraged by the re-opening of many of its clients' sites and the determination of many of its clients to restore activity levels to their pre-COVID-19 levels. It is, however, too early to predict in detail what the impact of COVID-19 will be on the

Group and, as a result, the Board is unable to anticipate what the Group will achieve for the year to 31 December 2020. As a result of the site closures in the early part of 2020, however, it is almost certain that the Group's turnover and profits will be lower in this year than in recent years.

The Group will keep the situation under review and update the market in due course.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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